GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1987
ANSWERED ON:09.03.2016
Increase in Visa Fee by UK
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether UK has proposed any change in visa rules which will adversely affect Indian IT professionals if so, the details thereof, and the reaction of the Government thereto; and
(b) whether UK is our second largest exporting market for IT services and if so, the likely impact it will have on our bilateral trade?

Answer

(a): As per the Ministry of External Affairs, Government of India, the UK Government commissioned the Migration Advisory Committee (MAC) last year to advise them on significantly reducing the level of skilled economic migration from outside the EU entering through Tier 2 visa route. The main recommendations of the MAC are :

(i) Create a new category for third-party contractors (IT firms) and increase the minimum salary threshold to Â£41,500 in respect of Tier 2 ICT category (short term) from current Â£ 24,800/-,
(ii) Levy Immigration Skill Charge (ISC) of Â£ 1000/- on all employers recruiting migrants under Long term and short term Tier 2 (ICT) categories,
(iii) Levy Immigration Health Surcharge (IHS) of Â£ 200/- to ICT category including the dependents,
(iv) Increase minimum work experience requirement for the ICT visa category from 12 to 24 months for both long term and short term categories,
(v) Sponsors to enter a more detailed description of the role required on the Certificate of Sponsorship (CoS) application form to ensure that the role is sufficiently specialist.

The Report prepared by MAC was released on 19 January 2016 and is presently under consideration of the UK Government. Department of Commerce, Ministry of Commerce & Industry, Government of India has already taken up the matter with the UK in this regard.

(b): Yes, Sir. UK is the second largest export market for Indian IT-ITES companies. If the MAC recommendations are accepted by the UK Government, it would have an adverse impact on the competitiveness of Indian IT companies in the UK. As per industry estimates, the financial impact of these measures would be in excess of UKÂ£ 250 million each year for the Indian IT companies.
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